

SB569 Senate Hearing - 10-26-11

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- IE Effects is a CA based company that opened its facility in Traverse City largely due to the MI Film Incentives. We are a visual effects company, which is the postproduction phase of film making.
- IEE has spent over \$500K in office space build- outs, staff salaries and equipment since we opened in February of this year.
- Our client list includes major motion film studios like Warner Brothers, for whom we performed 3D conversions on some of the shots in **Green Lantern** and **Harry Potter and the Deathly Hollows Part 2**. 20th Century Fox studios received MI Film Incentives for the shots we converted for **Gulliver's Travels**, and they are eager to give us more work, which would allow us to put dozens of visual effects artists on staff, but now Fox is uncertain of the incentives here, and often, these days, our calls are not returned. Warner Brothers is on the brink of hiring visual effects companies to convert the whole back library of Harry Potter films to 3D. They'd really like to use IE Effects, because David Yeats, the director of those films was extremely impressed with our conversion work on his final installment of the series. Unfortunately, Warner Brothers does not trust that they can get any incentives from Michigan, and so they will most likely be using our competitors who outsource the lion's share of their work to China, Japan, India or Canada. We wish they'd outsource to Michigan, where we have bright-eyed, digital media arts graduates hungry to work on projects like theirs here at home. But, as it is for every business- it's all about the bottom line.
- We do work a lot of for Motorola , and we're very happy to see that SB569 looks like its going to include financial assistance for companies working on commercials, because Motorola tells us that if they can get a price break, they'll give us twice as much work for our MI office, which means we'll be able to hire a staff account manager , and have more full- time artists working for a commercial client that doesn't have a "season" per se for projects. We are a part of the film industry, and we do our work in a brick building, all year long, with employees who create images on computers for a very decent living wage.
- We are a company in the business of hi-tech manufacturing a globally distributed product in a multi-billion dollar industry. My kids say I mumble this in my sleep, because I guess I have been repeating this quite a bit to everyone and anyone who is interested in the work we do at IE Effects and how the MI Film Incentives are impacting our success. Indulge me; I'm going to say it again: FILM POSTPRODUCTION IS NOTHING LESS THAN HI-TECH

MANUFACTURING OF A GLOBALLY DISTRIBUTED PRODUCT IN A MULTI-BILLION DOLLAR INDUSTRY. And it provides precisely the kind of jobs that this administration is going to China to bring back here. It's here. Already. Governor Snyder is Dorothy and he can find what he's looking for in his own back yard.

- Speaking of Michigan and its back yard: the other priority of this administration is to plug the brain drain; to keep the students who earn diplomas in our great colleges and universities working here in Michigan.
- We have met with Michigan University deans and department heads who want to know what software we use , so they can tweak their curriculums so that their graduates can move seamlessly into a company like ours. We have employed Ferris State grads, for example, who graduated last year and already have risen to the top in our bank of talented artists. They were about to move to LA or Chicago or NY when they found out about us, and couldn't believe the miracle of a VFX company in northern Michigan. We're working with the local high school technology programs with the same thing in mind. Imagine, last spring there were Traverse City high school kids working on a Harry Potter movie. We have a dream to create a vibrant hi tech center in Michigan, where creative technology and innovative engineering were born. THIS is what the film industry is about.

The Film Incentives need to be robust, and efficiently administered in order to keep this lucrative industry alive and growing in Michigan. And they need to keep an eye to the ENTIRE STATE, not just one area. This bill needs to be inclusive, so that all credible businesses that seek to create good jobs are able to benefit.

Thank you very much.